



QUESTIONNAIRE

ANTI-CIRCUMVENTION INQUIRY NO. 552

ALLEGED SLIGHT MODIFICATION OF A4 COPY PAPER EXPORTED TO AUSTRALIA FROM THE PEOPLE'S REPUBLIC OF CHINA

This questionnaire seeks information in relation to your purchases and sales of A4 copy paper with a weight of 68 grams per square metre (the alleged circumvention goods), exported to Australia from the People's Republic of China (China) by UPM Asia Pacific Pte Ltd.

This information will assist in determining whether a circumvention activity in the form of a slight modification of goods has occurred in relation to A4 copy paper exported to Australia from China.

Anti-Dumping Notice No. 2020/045 provides details of the goods the subject of the inquiry and outlines the inquiry procedures.

<u>Part A</u>	Company information	Return by 21 July 2020
<u>Part B</u>	General questions	

Confidential and non-confidential responses

You are required to lodge a confidential version (for official use only) and a non-confidential version (for public record) of your response to this exporter questionnaire by the due date. Please ensure that each page of information you provide is clearly marked either "FOR OFFICIAL USE ONLY" or "PUBLIC RECORD".

All information provided to the Commission in confidence will be treated accordingly. The public record version of your questionnaire will be placed on the public record, and must contain sufficient detail to allow a reasonable understanding of the substance of the information, but does not breach confidentiality nor adversely affect those interests.

A person is not required to provide a summary for the public record if the Commission can be satisfied that no such summary can be given that would allow a reasonable understanding of the substance of the information.

All questionnaires are required to have a bracketed explanation of deleted or blacked out information for the public record version of the questionnaire. An example of a statement to accompany deleted/blacked out text is: [Explanation of cost allocation through the divisions, by reference to machine hours or weight].

Please return your completed questionnaire to:

investigations2@adcommission.gov.au

GOODS SUBJECT TO ANTI-DUMPING MEASURES

Original notices

The anti-dumping measures, in the form of a dumping duty notice and a countervailing duty notice, were initially imposed on 19 April 2017 by the relevant Minister after consideration of *Anti-Dumping Commission Report No. 341* (REP 341).¹ The dumping duty notice applies to all exporters of A4 copy paper from the subject countries except PT. Pabrik Kertas Tjiwi Kimia Tbk, whereas the countervailing duty notice applies to all exporters of A4 copy paper from China except Asia Symbol (Guangdong) Paper Co., Ltd and Greenpoint Global Trading (Macao Commercial Offshore) Ltd, and UPM (China) Co., Ltd and UPM Asia Pacific Pte Ltd.

The goods the subject of the notices

The goods the subject of the original notices are:

uncoated white paper of a type used for writing, printing or other graphic purposes, in the nominal basis weight range of **70 to 100 gsm** [grams per square metre] and cut to sheets of metric size A4 (210 mm x 297 mm) (also commonly referred to as cut sheet paper, copy paper, office paper or laser paper).

The applicant at the time of the original investigation supplied the following additional information to clarify the scope of the goods description:

The paper is not coated, watermarked or embossed and is subjectively white. It is made mainly from bleached chemical pulp and/or from pulp obtained by a mechanical or chemi-mechanical process and/or from recycled pulp.

The goods are generally, but not exclusively, classified to the following tariff subheadings in Schedule 3 to the *Customs Tariff Act 1995*.

Tariff Subheading	Statistical Code	Description
4802		UNCOATED PAPER AND PAPERBOARD, OF A KIND USED FOR WRITING, PRINTING OR OTHER GRAPHIC PURPOSES, AND NON PERFORATED PUNCH-CARDS AND PUNCH TAPE PAPER, IN ROLLS OR RECTANGULAR (INCLUDING SQUARE) SHEETS, OF ANY SIZE, OTHER THAN PAPER OF 4801 OR 4803; HAND-MADE PAPER AND PAPERBOARD:
4802.56		Weighing 40 g/m ² or more but not more than 150 g/m ² , in sheets with one side not exceeding 435 mm and the other side not exceeding 297 mm, in the unfolded state:
4802.56.10		<i>Printing and writing paper, 297 mm x 210 mm (A4 paper): Weighing 40 g/m² or more but less than 90 g/m²:</i>
	03	<i>White</i>
	09	<i>Weighing 90 g/m² or more but not more than 150 g/m²</i>

¹ Anti-Dumping Notice (ADN) Nos. [2017/39](#) and [2017/40](#) refer.

**GOODS SUBJECT TO THE INQUIRY
(THE CIRCUMVENTION GOODS)**

The goods subject to the anti-circumvention inquiry (the circumvention goods) are described as having a weight of 68 grams per square metre (gsm).

The circumvention goods are allegedly being imported into Australia from China under tariff subheading 4802.56.10, statistical code 03, of Schedule 3 to the *Customs Tariff Act 1995*.

PART A COMPANY INFORMATION

A.1 Your company

Company Name	Complete Office Supplies Pty Ltd (COS)	
ABN:	92 001 634 715	
Contact name:	Belinda Lyone	Melinda Hughes
Position:	General Manager – SSAM	Group Category Manager
Mailing address:		
	25 Nyrang Street	
	Lidcombe NSW 2141	
Telephone:	02 8832 6479	
Facsimile:		
E-mail address:	belindal@cos.net.au	melindah@cos.net.au

Provide details on the ownership of your company and major shareholders:

Parent company: D&M Lyone Holdings Pty Ltd Owns 100% shares of 'COS

Describe the role of your company in the Australian market for A4 copy paper – for example, retailer, distributor, end-user.

Distributor

At what level of trade is each of your customers – for example, distributor, wholesaler, retailer or end-user?

Customer	Level of trade
End User	

PART B

B.1 General

1. When did your company commence negotiations with UPM for the supply of A4 copy paper with a basis weight of 68gsm?

Discussions with UPM on alternative supply sources to existing exports [REDACTED] and eventually led to the signing of a sales agreement for 68gsm copy paper from China in August 2019 [Confidential Sales Negotiation details]

2. Did your company initially approach UPM and request the supply of copy paper with a basis weight of 68gsm, or did UPM approach your company and offer to supply this particular product?

Discussions on alternative supply sources originally arose out of our concern at the substantial delay between order and delivery for consignments [REDACTED] and our interest in the potential for reduced freight costs for exports sourced from within the Asian region. In the course of discussions it emerged that for some years UPM in China had been producing a 68gsm product for other export markets that was available for shipment to Australia. [REDACTED]

[REDACTED] the major factor contribution our decision was the recognition that the sourcing of the first, fully recyclable product that would deliver optimal performance while minimising environmental impact represented a unique marketing opportunity. [Confidential pricing and sourcing information]

3. What factors (e.g. price, quality, supplier reliability etc.) did your company take into consideration in deciding to source A4 copy paper with a basis weight of 68gsm from UPM? What was the primary factor influencing this decision?

Please see response to B1.2

4. Did your company source A4 copy paper from UPM before 2019? If so, please provide a list of these purchases from UPM and identify the basis weight (in gsm) of the copy paper, the value and volume of the goods purchased and the country of origin. Further, please indicate why your company ceased sourcing A4 copy paper from UPM prior to 2019.

COS had sourced some 80 gsm A4 copy paper from UPM prior to 2013 and resumed sourcing [REDACTED] Details of the small values and volumes purchased from that source are contained in [REDACTED] Imports [REDACTED] ceased in June 2019 and subsequently, pursuant to a new sales agreement, imports commenced from china. COS Did not cease sourcing copy paper from UPM prior to 2019. [Confidential sourcing information]

5. If your company purchased A4 copy paper from UPM prior to 2019, were these purchases in accordance with a sales agreement or contract? If so, please provide a copy of this contract.

Purchases [REDACTED] were not covered by a sales agreement. [Confidential sourcing information]

6. Does your company source A4 copy paper from suppliers other than UPM? If so, which suppliers and countries, and what is the basis weight of the A4 copy paper? Are these goods sourced in accordance with sales agreements or contracts?

We source a mix of gsm ranging from 68 – 300gsm. We have formal agreements [REDACTED]

[Confidential Sales Negotiation details]

7. What factors does your company take into consideration when sourcing copy paper from suppliers (e.g. price, lead times between order and delivery, shipping costs etc.)?

Pricing, costs, the supply chain, reliability of the supplier are all factors influencing our sourcing decisions but ultimately the key factor is our assessment of the overall value proposition that we can put to our potential customers.

B.2 Purchase price

1. For calendar year 2019, please provide the quarterly or monthly prices (on a per ream basis) in respect of your purchases of A4 copy paper with a basis weight of 68gsm, and your purchases of A4 copy paper other than 68gsm paper. Please provide any documents that support this (e.g. price lists, contracts, invoices, etc.)

[REDACTED]
[Confidential pricing details]

B.3 Selling price in the Australian market

1. For calendar year 2019, please provide the quarterly or monthly prices (on a per ream basis) in respect of your sales of A4 copy paper with a basis weight of 68gsm, and your sales of A4 copy paper other than 68gsm paper. Please provide any documents that support this (e.g. price lists, invoices, etc.)

[REDACTED]
[Confidential pricing details]

B.4 End-use applications

1. In respect of your company's sales of A4 copy paper with a basis weight of 68gsm, please explain the sales and distribution channel within the Australian market. For example, do you sell the products directly to end-users? Do you sell these goods to other distributors?

B2B – Directly to end-users

2. In general, are there any specific purpose(s) and/or end use(s) that A4 copy paper with a basis weight of 68gsm is suitable for that other A4 copy paper is not suitable for? Provide specific product details and supporting evidence where possible.

For most applications 68gsm and 80gsm copy paper are suitably equivalent goods but, as Australian Paper has noted in submissions to the Commission, historically market acceptance of less than 80gsm copy paper has been minimal. Purchasing choices between each product will reflect the judgements of individual purchasers on the overall value proposition on offer. As there are unlikely to be any significant price differentials, the features of the 68 gsm product that may attract a purchaser are the environmental factors referred to in B1.2 above.

3. Are there any purpose(s) and/or end use(s) that A4 copy paper with a basis weight of 68gsm and other A4 copy paper can be used interchangeably for?

As stated above the products are interchangeable in most applications but the relatively lower opacity of 68gsm copy paper may limit its adoption in double-sided printing processes.

B.5 Marketing

1. How is A4 copy paper with a basis weight of 68gsm marketed in the Australian market? In your response, address the following:

- a) the applications and end uses that the product is marketed for;

[REDACTED]

[Confidential marketing details]

- b) the type of customers (end users etc.) the marketing of the product is targeted at;

[REDACTED]

[Confidential marketing details]

- a) whether the product is marketed as a proprietary/private label brand (whether they be the customer's or manufacturer's) or generic brand;

This is UPM Brand, New Future Opti

- b) the advertising and marketing costs incurred in respect of the products relative to other A4 copy paper.

[REDACTED]